

Center for Biological Diversity * Clean Water Action * Earthjustice * Environment America
Environmental Defense Fund * E3G * Public Citizen * Safe Climate Campaign
Sierra Club * Southern Alliance for Clean Energy * Union of Concerned Scientists
Western Organization of Resource Councils

May 17, 2010

Dear Senator Reid,

On behalf of our millions of members, activists and supporters, we write in opposition to any proposal which would recklessly exempt operators of carbon capture and sequestration (CCS) facilities from liability, thus increasing the risk of faulty projects, and potentially putting the U.S. taxpayer at serious risk.

Although our groups vary in their views as to whether CCS—the process of capturing carbon dioxide and storing it underground—has the potential to play a key role in our efforts to reduce global warming emissions, we are united in believing that CCS facility operators must be held accountable for their own actions. Strong liability systems are crucial to making this happen.

In almost any other commercial setting, project liability is assumed by the company undertaking the project. This provides a strong incentive for doing the project right, because if corners are cut, the company carrying out the project will bear the consequences of their poor work. For instance, the oil and gas industry has been injecting carbon dioxide into oil and gas formations for over 30 years to enhance the production of mature wells. They do this assuming full liability for the carbon dioxide they inject, and as a consequence, the industry has strived to ensure the safety of these operations.

By contrast, we are especially concerned with recent reports that some interest groups are asking you to consider proposals that would constitute a wholesale transfer of liability for all CCS projects away from project developers. Thus the CCS project developers would have much less incentive to do the job right, creating a substantial “moral hazard” that puts the environment at risk. Moreover, if an industry-funded trust fund proves to have insufficient resources, the American taxpayer could ultimately have to pick up the tab for the consequences of their poor work.

We strongly urge you to reject these ill-considered proposals.

Sincerely,

Anna Aurilio
Director, Washington DC Office
Environment America

Debbie Sease
Director, National Campaigns
Sierra Club

Marty Hayden
Vice President, Policy & Legislation
Earthjustice

Lexi Shultz
Legislative Director, Climate & Energy Program
Union of Concerned Scientists

Scott Anderson
Senior Policy Advisor
Environmental Defense Fund

Lynn Thorp
National Campaigns Coordinator
Clean Water Action

Tyson Slocum
Director, Energy Program
Public Citizen

Bill Snape
Senior Counsel
Center for Biological Diversity

Katherine Silverthorne
Program Lead, US Climate Change
E3G

Jennifer Rennicks
Federal Policy Director
Southern Alliance for Clean Energy

Dan Becker
Director
Safe Climate Campaign

Western Organization of Resource Councils